

## SIT Graduate Institute/SIT Study Abroad SIT Digital Collections

---

Capstone Collection

SIT Graduate Institute

---

Spring 4-15-2016

# Organizational Analysis: Union Kitchen

Davita Louie  
*SIT Graduate Institute*

Follow this and additional works at: <https://digitalcollections.sit.edu/capstones>



Part of the [Benefits and Compensation Commons](#), [Business Administration, Management, and Operations Commons](#), [Business and Corporate Communications Commons](#), [Business Intelligence Commons](#), [Entrepreneurial and Small Business Operations Commons](#), [Performance Management Commons](#), and the [Training and Development Commons](#)

---

### Recommended Citation

Louie, Davita, "Organizational Analysis: Union Kitchen" (2016). *Capstone Collection*. 2853.  
<https://digitalcollections.sit.edu/capstones/2853>

This Thesis (Open Access) is brought to you for free and open access by the SIT Graduate Institute at SIT Digital Collections. It has been accepted for inclusion in Capstone Collection by an authorized administrator of SIT Digital Collections. For more information, please contact [digitalcollections@sit.edu](mailto:digitalcollections@sit.edu).

ORGANIZATIONAL ANALYSIS: UNION KITCHEN

Davita Louie

PIM 74

A capstone paper submitted in partial fulfillment of the requirements for a Masters of Arts in Intercultural Service, Leadership, and Management at SIT Graduate Institute in Brattleboro, VT, USA.

Advisor: Aqeel Tirmizi

“Create. Contribute. Prosper.” – Union Kitchen

### **Consent to Use of Capstone**

I hereby grant permission for World Learning to publish my capstone on its website and in any of its digital/electronic collections, and to reproduce and transmit my CAPSTONE ELECTRONICALLY. I understand that World Learning's websites and digital collections are publicly available via the Internet. I agree that World Learning is NOT responsible for any unauthorized use of my capstone by any third party who might access it on the Internet or otherwise.

Student name: Davita Louie

Date: 4/15/2016

## **Acknowledgements**

I would like to thank:

My parents, Ellen and Charles, for their continuous support and patience as I continue to figure out this life, whether moving much too often, taking on different careers, or jumping out of planes, they are always there for me.

My little brother Garrett, for giving me a reason to be a role model.

And Harley Quinn, for loving me unconditionally no matter what journey I take us on.

This capstone is dedicated to:

Chrissie Faupel, my friend, my mentor, and really, my everything during my time in Vermont.

## TABLE OF CONTENTS

Abstract	1
Introduction	2
Inquiry Methods	4
Union Kitchen Organization Overview	4
Organizational Analysis	12
Advocate and Serve	12
Make Markets Work	16
Inspire Evangelists	18
Nurture Networks	20
Master the Art of Adaptation	23
Share Leadership	27
Union Kitchen's Future	28
Major Risks	29
Recommendations	31
Tap Into B Corp Network	30
Food Systems Advocacy	31
Plan More, Scale Slower, & Share Leadership	31
Internal Communications	34
Conclusion	35
References	38
Appendix	41

## ABSTRACT

Union Kitchen, a Certified B Corp and socially driven organization, is a cluster of integrated food businesses, connecting silos of the food system to create a profitable platform for local and regional businesses to thrive in Washington, D.C. Leslie Crutchfield and Heather Grant's *Forces for Good: The Six Practices of High-Impact Nonprofits*, suggests six practices, namely Advocate and Serve, Make Markets Work, Inspire Evangelists, Nurture Nonprofit Networks, Master the Art of Adaptation, and Share Leadership, as the keys to success of the most impactful nonprofits (Crutchfield & Grant, 2012). While Union Kitchen is not a nonprofit, as a Certified B Corp, there is a strong social sector emphasis in its work. The analysis below uses *Forces for Good: The Six Practices of High-Impact Nonprofits* as a measurement tool to analyze the success of Union Kitchen, as well as shine light on where the organization can stand for improvement.

The research conducted for this CLC Capstone will be tied to Aqeel Tirmizi's Leading and Managing Social Sector Organizations course. Inquiry methods used to conduct this research include observations, organizational data, and the researcher's institutional knowledge. Support for observations, analysis, critiques, and recommendations for Union Kitchen, will come from internet resources, periodicals, and articles. To provide comparisons and contrast, other businesses will be looked at as examples to support findings.

The results of this study suggest that, while Union Kitchen has been highly successful in its first four years in business due to an innovative model, willingness to take risks, and an impressive history of growth, it will need to continue to innovate, spend more time planning, and solidify a clear direction in which the organization is heading in, in order to not get crushed by the weight of scaling.

## **Introduction**

I first learned about B Corps and Benefit Corporations in Dr. Aqeel Tirmizi's Leading and Managing Social Sector Organizations course at the SIT Graduate Institute. I was immediately intrigued by the B Corp movement, "a global movement of people using business as a force for good." ("About B Lab," 2016). The overall concept deeply resonated with my appreciation and experience in business and strategy alongside my belief that for profit businesses do not have to be "the enemy" or generalized under the notion that all corporations are inherently "evil." I set out to find work in an organization that felt like the nexus between a for profit and nonprofit and found my current place of employment, Union Kitchen. The job posting for Development Manager was only listed on the B Lab Job Board, as my predecessor at Union Kitchen, Judy Amsalem, had recently encouraged Union Kitchen to become a Certified B Corp and intentionally only listed the posting there. It was a lucky find, and even more fortuitous to be hired at a company where I had zero connections, needed to relocate, and was hired before ever meeting anyone who worked at the company face-to-face. It was a risk for both Union Kitchen and I, but ten months later, I cannot imagine having found a more challenging, awe-inspiring, innovative company to work for.

## **Union Kitchen**

The learning curve that came with joining Union Kitchen was a huge one, both culturally and institutionally. The sort of business founders Cullen Gilchrist and Jonas Singer run is not an easy one to understand nor all its moving parts. At the root of it all, Union Kitchen is working to become an entirely, vertically integrated food system that is profitable, just, and sustainable. In a sentence, Union Kitchen lowers the barriers to entry and growth for food businesses by offering kitchen space, a full-time cleaning team, catering, distribution, co-packing services, and its own

## UNION KITCHEN

retail outlets, acting as a one-stop shop for everything an existing or launching food business needs, thus propelling local businesses, jobs, and culture.

### **Forces for Good**

Leslie Crutchfield and Heather Grant's *Forces for Good: The Six Practices of High-Impact Nonprofits*, suggests six practices namely Advocate and Serve, Make Markets Work, Inspire Evangelists, Nurture Nonprofit Networks, Master the Art of Adaptation, and Share Leadership, as the keys to success of the most impactful nonprofits (Crutchfield & Grant, 2012). I define these practices in the sections below. While Union Kitchen is not a nonprofit, as a B Corp, there is a strong social sector emphasis in its work. According to B Lab, the masterminds behind the B Corp movement, "B Corp is to business what Fair Trade certification is to coffee or USDA Organic certification is to milk. B Corps are for-profit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency. Today, there is a growing community of more than 1,400 Certified B Corps from 42 countries and over 120 industries working together toward 1 unifying goal: to redefine success in business" (B Lab, 2016). Thus, *Forces for Good: The Six Practices of High-Impact Nonprofits* will serve as a measurement tool for me to analyze what Union Kitchen has done successfully and provide recommendations where it falls short, throughout this organizational analysis.

The purpose of this research is to take my learnings from my time at The SIT Graduate Institute and apply it to the organization which served as my practicum site. Having been with the organization now ten months, I am well positioned to conduct an organizational analysis of Union Kitchen. Below I will provide the organizational background of Union Kitchen, its business model and product offerings, how it measures up to the practices found in *Forces for*



## UNION KITCHEN

*Good: The Six Practices of High-Impact Nonprofits, recommendations on where there is room for improvement, a look into the organization's future, and conclude with the overall findings and learnings I took away from this research.*

### **Inquiry Methods**

The research conducted for this CLC Capstone was tied to Aqeel Tirmizi's Leading and Managing Social Sector Organizations course. I conducted an organizational analysis of my practicum site, Union Kitchen. As I am fully immersed in Union Kitchen as a full time employee, I was and am very well versed in organizational practices within the organization and therefore, had an inside look at the inner workings of Union Kitchen's operations. Due to this, inquiry methods used to conduct this research included my own observations, organizational data, and my institutional knowledge to form my analysis. My analysis came from a variety of angles as I have already served in two different roles in the organization and now manage my own team, so I was and am in a unique position to conduct this analysis from observation and institutional knowledge. Support for observations, analysis, critiques, and recommendations for Union Kitchen, came from internet resources, periodicals, articles, and the text in the book *Forces for Good: The Six Practices of High-Impact Nonprofits*. To provide comparisons and contrast, other businesses were looked at as examples to support findings.

### **Union Kitchen Organization Overview**

#### **History**

In early 2012, good friends Gilchrist and Singer became first-time business owners, opening The Blind Dog Café. The Café, housed pop-up style inside a bar in the Shaw neighborhood of Washington, D.C., quickly became a local community fixture known for its great culture and mouth-watering breakfast sandwiches. Though it was the demand for their

## UNION KITCHEN

award-winning chocolate chip cookies, a recipe of Gilchrist's sister, that would put them on the hunt for a larger production space as their on-site production space was now too small to meet their needs. During Gilchrist and Singer's search, they found that there was no viable kitchen space in the District of Columbia, which led them to a 7,500 square-foot warehouse, formally used by a local restaurant chain. Much too large for their needs, and recognizing that other food businesses must face the same challenge when looking for commercial kitchen space, they decided to share the kitchen space and its amenities with other culinary businesses looking to produce and expand, thus Union Kitchen was born ("Our Origin Story, n.d.).

### **Mission and Vision**

Union Kitchen has created and refined what is now a broad, all encompassing mission that emphasizes that the organization is more than just a food incubator, but rather an entire food system. Union Kitchen envisions a sustainable, vertically integrated food system in which food manufacturers can build a livelihood around their passion.

"We are the builders of our community. We are informed but not bound by convention. Through collaboration, mindfulness, and execution, we bring people together for commerce, cooperation, and contribution to build the city we want to live in. Union Kitchen strives to build a food system that is profitable, just, and sustainable. Everyday we work to make local scalable. Through integrated services, our Members can make, move, and sell their products. By providing the space for production and opportunities for sales, Union Kitchen catalyzes the growth of business, jobs, and culture." ("Mission Statement and Guiding Principles, n.d.).

### **Problem Union Kitchen Solves**

Union Kitchen works toward creating and maintaining an entrepreneurial middle class. Its view is that many of the most pervasive challenges society faces are symptoms of inequality of income, wealth, and opportunity. Getting a job, building savings, and securing resiliency in urban areas like the District of Columbia is hard. Small and local businesses create jobs, wealth - importantly, wealth that stays where it is created - and social mobility. The barrier to entry and growth for small and local businesses has a cascading effect throughout society, restricting wealth, opportunity, and - most importantly - self-sufficiency.

To combat this, Union Kitchen connects the silos of the food system to create a profitable, sustainable, and efficient platform for small businesses to thrive thereby creating an ecosystem for fair access to opportunity, income, and wealth building. From idea generation and business formation to catering, distribution, events, and beyond, Union Kitchen works tirelessly to help entrepreneurs from all populations make it in what otherwise is a hard, low paying, inaccessible industry.

The larger, global issue the organization addresses is income disparity. The World Economic Forum reports that “Income inequality specifically is one of the most visible aspects of a broader and more complex issue, one that entails inequality of opportunity and extends to gender, ethnicity, disability, and age, among others. In developed and developing countries alike, the poorest half of the population often controls less than 10% of its wealth.” (Mohammed, 2014). By providing a more efficient allocation of resources instead of learning through failure, Union Kitchen eliminates a majority of the risk incurred when typically starting a food business, and instead, providing the tools for members in its community to succeed.

## UNION KITCHEN

### **Product**

Union Kitchen lowers the barriers to entry and scaling capacity for food businesses to catalyze the growth of businesses, jobs, and culture, ultimately fostering an entrepreneurial middle class, working to close the gap between income, wealth, and opportunity disparity.

**Membership.** As a vertically-integrated family of businesses, Union Kitchen is centered around its kitchen facilities and its Members' businesses. Union Kitchen provides Members with access to production space to make, move, and sell their products, without the burden of operating a large commercial facility. Union Kitchen manages everything from recycling and pest control to janitorial services and rent payments. The interconnected platform of low-cost, low-risk services allows Members to focus on what matters most to them: their customers, products, and employees.

Members benefit from the cost-certainty of a flat-rate, all-inclusive Membership structure. They do not need to worry about spikes in utility bills or costly maintenance repairs on big-ticket items. Union Kitchen provides food entrepreneurs an unparalleled comparative advantage across the board.

Furthermore, unlike shared-use kitchens, which often rent space by the hour but provide no assistance with business development, Union Kitchen actively drives growth throughout each stage of the entrepreneurial process with in-house Distribution, Catering & Events, Marketing & Partnerships, Finance, Co-Packing, and a retail-operation, Union Kitchen Grocery.

**Distribution.** Union Kitchen Distribution establishes relationships with dozens of retail partners to bring Union Kitchen Member products to local and national outlets. By coordinating all distribution activities, from post-production to fulfillment, Union Kitchen streamlines the distribution process for an easier, efficient, and more profitable model for the producer and

## UNION KITCHEN

retailer alike.

**Catering & Events.** Union Kitchen Catering & Events is a one-stop shop for creating an unforgettable event, from menu design to venue rental and day-of logistics. The team curates dishes created by Union Kitchen Members and then designs the event from the bottom-up, including custom bar service and full staffing, and breakdown. The department drives passive revenue and brand exposure to participating Members.

**Marketing & Partnerships.** The Union Kitchen Marketing & Partnerships department grows Member brand recognition on the local and national scale through press events, tastings, and social media support. The department works with Members to build a comprehensive and tailored strategy, from launching social media pages to on-going guidance and best-practices. The Marketing & Partnerships department forms and leverages strategic partnerships to increase Members' customer bases and brand exposure. For instance, Union Kitchen recently collaborated with UberEats to offer a week-long promotion, where customers received a gift basket of Members' products with every order.

**Finance.** Union Kitchen's finance department is responsible for consulting Member businesses on their financial needs. Access to capital is a major barrier for food businesses. The combination of Union Kitchen's proven track record and status in key, non-traditional lending programs, gives Members the necessary credibility to attract lenders. Union Kitchen is a Kiva Zip Trustee. The Kiva Zip program allows lenders to make microfinance loans, at a zero-percent interest rate, directly to entrepreneurs who would not otherwise qualify for conventional financing; and, as a trustee, Union Kitchen publicly endorses the viability of Union Kitchen Members as borrowers. Union Kitchen's engagement with Kiva Zip has been incredibly successful. In fact, Union Kitchen endorses more loan dollars through Kiva Zip than any other

## UNION KITCHEN

trustee in the United States. Since 2013, Union Kitchen Members have scored an incredible 99 percent loan repayment rate, with over 32 loans endorsed for a total value of \$164,475. In addition to extending otherwise unavailable funding opportunities to its Members, the Union Kitchen Finance Department guides Members through various business licensing processes, as well as, offers financial planning, accounting, and bookkeeping guidance.

**Co-packing.** Union Kitchen Co-packing provides Union Kitchen Members with a comprehensive, scalable option to manual production and packaging of their products. This department just launched this January and is still beta testing its services.

**Retail.** Union Kitchen Grocery, Union Kitchen's core retail model, showcases and drives sales of Member products. The store features food and beverages from more than 50 Members and Union Kitchen Alumni. In-person demonstrations and samplings directly connect Members to their customers; while more broad-based marketing efforts, such as in-store and end-cap signage and a hyper-local digital footprint, translate the broader Union Kitchen food system narrative. Union Kitchen Grocery acts as a distribution test-trial for Members. Members can build out the appropriate systems in a more controlled environment, before extending to larger markets, such as Whole Foods or Mom's Organic. Moreover, Union Kitchen Grocery builds a sustainable and inclusive marketplace for local products. The retail-front houses Member products alongside national brands. The mix of products redefines local from novel to everyday accessible. Customers can grab a Coke while snacking on a Union Kitchen Member dessert or enjoy Ritz crackers with some locally-made spreads.

**Development.** Outside of Membership services, Union Kitchen draws high margin revenues from licensing and consulting agreements. Union Kitchen Development provides institutional knowledge to partner organizations, individuals, and government agencies, who

## UNION KITCHEN

share Union Kitchen's mission to build a sustainable and just food system by making local production a scalable model. Partners receive access to material tailored to their individual business needs. For example, Union Kitchen offers a dynamic scale model to determine appropriate pricing structures based on the price per square footage of the locality. The custom training modules and on-going guidance ensures businesses launch efficiently and continue to grow and scale on an accelerated timeline. With a shared commitment to economic development, job creation, and entrepreneurial growth, Union Kitchen Development works with partners around the world to play a pivotal role in building local production capabilities and small business opportunities.

### **Organizational Structure & Design**

Besides Union Kitchen's Members, the almost 50 employees that run the organization are the backbone of Union Kitchen. Its team is made up of a diverse group of individuals with hustle, assertiveness, attention to detail, a get-it-done attitude, a high standard of excellence, and are all motivated by Union Kitchen's mission. The employees push themselves and Union Kitchen's Members to do better. At the end of the day, they are all working to build the city they want to live in.

As Union Kitchen is just coming into its fourth year of business, Gilchrist, who acts as the Chief Operating Officer and Singer, who acts as the Chief Executive Officer, oversee and are still very much involved in every part of the business. Directly under them is the Director of Operations, who is also now a part-owner of the business. Every other department has a similar hierarchy. Every department has a Director who oversees the department overall, and manages the people who work within the department. Most departments have one to two managers. The Directors are responsible for making both day-to-day and high level decisions as it pertains to

## UNION KITCHEN

their business. Directors are instructed to act like the “CEO” of their department and make decisions as such. The Director of Facilities role looks a bit different, because as the sole individual overseeing all facilities, he is in charge of the Membership Managers who then oversee the Kitchen Managers, who oversee the Kitchen Stewards. There is one Office Manager who is responsible for the administrative tasks for Union Kitchen as a whole and for specific departments. The Org Chart for Union Kitchen is depicted in Appendix A.

Most of Union Kitchen’s staff float between its two production facilities. The only department based only out of the Ivy City facility is the Distribution team, as that facility is double the size of the original one, acting as a better hub for distribution. The rest of the team is encouraged to work out of both facilities as well as Union Kitchen Grocery. The main reason for this is to show the Members, Union Kitchen’s core customer, that the team is still present and there to listen to their needs. The other reason for this, is for the team to see and understand other parts of the business they may not actively be involved with. Some teams also have the flexibility to work off-site, but due to an emphasis on culture in the company, if teams take advantage of this option, it doesn’t happen more than once a week.

Union Kitchen, although only in its fourth year in business, has been highly successful with the business model and subsequent businesses it has formed. While the organization has seen impressive growth over its first few years, it is about to embark on what is typically the most challenging time in an organization’s life, successfully scaling and keeping employees happy as they transition from a small team to one that is now at about 50 employees. COO of Quip, Molly Graham expresses the challenge of growth in the Forbes article “The Scale Up Challenges Every Audacious Startup Must Face” saying “From 30 to 50 you go from being a family to being a company, and everything starts to get really hard. With less than 30 people,



## UNION KITCHEN

everyone knows each other well enough to strike up a conversation with practically anyone and the priorities are clear because everyone's talking about them all the time." (Coleman, 2015).

From my ten months with the organization, I have bore witness to the many challenges and tribulations Union Kitchen has had as well as the wins. Below is an analysis of what the organization is doing well, and where and how they could improve.

### **Organizational Analysis**

#### **Advocate and Serve**

According to *Forces for Good*, "High impact nonprofits engage in both service and advocacy" helping to "reform larger systems by changing public behavior or creating governmental solutions." While services work to meet immediate needs, the text emphasizes the importance of advocacy work in order to reform larger systemic issues. Most organizations fall into either the direct service category or the policy and advocacy category. Research found though, that organizations that did both service and advocacy work, proved to create greater impact, as those organizations would know best the challenges their stakeholders faced firsthand, and in turn, understand the best ways to address these challenges through advocacy work and policy reform (Crutchfield & Grant, 2012). While Union Kitchen tangentially engages in some forms of advocacy work, at present, its main focus is on direct service.

As a social enterprise, Union Kitchen's main role is to serve its Members. While the owners did not initially set out to do advocacy work, because of the type of business they run, they have either directly or indirectly dabbled in advocacy for both their business and the Member businesses that are housed inside Union Kitchen. It first started with the structure and concept of their entire business. The District of Columbia did not allow multiple businesses to operate under one Certificate of Occupancy, which was in direct conflict with Union Kitchen's

## UNION KITCHEN

business model of allowing multiple businesses to operate in a shared space under one roof.

Union Kitchen went ahead and did it anyway, and when the D.C. government realized the kind of economic development Union Kitchen created, they were hard pressed to say they could not keep operating in that manner and changed this policy.

Based on Union Kitchen's core Membership business, the organization has witnessed firsthand the struggles and challenges food manufacturing businesses face. Every decision Union Kitchen makes goes back to the Members and how what it does will positively affect them. Besides using its other lines of business to drive revenue to Members, most of Union Kitchen's additional businesses were created in order to accommodate the needs of smaller Member businesses entering the Kitchen. For example, most large-scale distributors have a large volume minimum order that they need to fill before even considering putting a businesses' item on their truck. Union Kitchen's Distribution Department was created to fill this gap, allowing its Members to get their products on shelves without having to fill a huge minimum order. Half the battle for Members is getting their product to market and onto shelves, so Union Kitchen Distribution was developed to meet this need.

Furthering the importance of getting products to market was the major deciding factor behind the formation of Union Kitchen Grocery. Union Kitchen saw the challenge Members had in getting their products into stores, so it took matters in its own hands by creating a marketplace for Members itself. A fairly new Member, Rebecca Peress of the brand Swap Foods, told Union Kitchen during her interview panel that her goal was to have her product on shelves in five years. With Union Kitchen's support and retail grocery, she was able to make this dream a reality in five weeks instead of five years, selling out her product in its first week at market.

Union Kitchen Co-packing was born in a similar vein to Distribution. Starting operations

## UNION KITCHEN

this past January, Co-packing will allow Union Kitchen Member businesses to get to scale quicker than done on their own, as many co-packers require huge minimum orders. Union Kitchen Co-packing does both packaging and labeling of products and end-to-end co-packing, where the co-packer makes the entire product, packages it, and labels it. Between Union Kitchen Distribution, Co-packing, the Grocery, and all its other lines of businesses, the organization is ultimately advocating for the creation of a local food system in order to change the current system, and rethink what “local” actually means.

Union Kitchen actively advocates for food manufacturers in the Greater Washington, D.C. area, and the food industry as a whole, working to change the system to lower the barrier to entry and growth for small businesses. The organization’s most recent win came from the Made in DC legislation that was passed in early 2016. Councilmember Charles Allen, of Ward 6 introduced the bill telling DCInno

"I introduced the 'Made in DC Act of 2015' because I believe the District government should work with our local maker community to promote what is specific and unique to the District of Columbia. Whether it is clothing or housewares, food or beverages, District residents are proud to purchase and support homegrown products. Supporting locally-made products keeps more of our dollars here at home. Buying from a local maker means a significant portion of that purchase supports other local businesses and creates local jobs."

(Ferguson, 2016).

Union Kitchen has been using the “Made in DC” phrase for quite a long time and were active supporters of the bill, attending legislation meetings and taking interviews with the press to

## UNION KITCHEN

speak to the “Made in DC” culture present at Union Kitchen.

Continuously advocating for the businesses that work inside Union Kitchen, the organization recently had to go to bat for businesses whose products were starting to be pulled from shelves in Virginia. The District of Columbia is okay with food manufacturers having only a catering license to operate, whereas different states have different laws around the specific type of license a food manufacturer needs. When the Department of Health realized that the products on the shelves in Virginia were not properly licensed in the state, they started removing these products from stores. Instead of Union Kitchen letting Members deal with this issue on their own, the owners of the company spoke with Virginia’s Department of Health and other stakeholders to explain and rectify the situation. After explaining the policies in the District of Columbia, Virginia agreed to put Union Kitchen’s Members’ products back on the shelf and made note for any future products facing the same situation. In this way, Union Kitchen as an organization has more leveraging power, by being able to speak on behalf of the many businesses that are Members of Union Kitchen.

Union Kitchen is a huge advocate to the reentry and disabled populations in the Greater District of Columbia. Many of the employees it hires along with the employees it refers to its Member businesses come from Project Empower, “a transitional employment program that provides job readiness training, work experience, and job search assistance to District residents” (DC.gov, 2016), Jubilee Jobs, a nonprofit that “strives to overcome often extensive barriers that result from unemployment, learning disabilities, former incarceration, and alcohol/substance abuse” (Jubilee Jobs, 2016), and DC Central Kitchen, a program that provides culinary training to people facing barriers to employment (DC Central Kitchen, 2016). The organization has also worked with Clean Decisions in the past, an organization started by a member of the reentry

## UNION KITCHEN

community who now hires and trains those struggling with barriers to employment, mainly those reentering from the criminal justice system themselves (Clean Decisions, 2016). Union Kitchen has separate partnerships and relationships with each of these organizations, and continues to work with each of them to figure out the best way their constituents can work with Union Kitchen and its Members.

### **Make Markets Work**

As a Certified B Corp, Union Kitchen has obviously found ways to do well while doing good along with having formed partnerships with others to have them do the same. Crutchfield and Grant discuss three ways to leverage businesses in order to make markets work; change business practices, partner with businesses, and run a business. Socially driven organizations are able to change the business practices of other companies, and in turn, can change entire industries. Partnering and forming strategic partnerships with businesses provide organizations more leverage in related markets and in specific fields overall, whether gaining access to volunteers, securing corporate donations, or even by creating operational alliances. Lastly, the text in *Forces for Good* recommend socially driven organizations run earned-income business ventures in order to channel funds back into the bigger mission of the organization. Union Kitchen has been doing the third practice since inception, as its socially focused venture has always made money while supporting its mission (Crutchfield & Grant, 2012).

In a big way, Union Kitchen uses its economies of scale for purchasing power. Coastal Sunbelt Produce is Union Kitchen's preferred produce vendor. Recognizing early on that many Member businesses purchased the same items, Union Kitchen struck a deal with the foodservice distributor to provide lower pricing to Union Kitchen Members, and to give Union Kitchen as a whole a total minimum order as opposed to each Member individually, making it easier for

## UNION KITCHEN

Members to buy smaller orders. This same concept applies to many of its partner vendors. Union Kitchen sets up “office hours” for partner vendors to come to its facilities to meet with Members. These vendors include insurance brokers, label makers, lawyers, and payroll service providers among others. Oftentimes, these vendors offer a discount to Union Kitchen Members as the organization is able to refer so many people to these vendors.

Union Kitchen recently created its own 501(c)3 nonprofit, Union Kitchen Foundation, in order to expand upon the services it provides to its Members and their employees. The Foundation works to build a coalition around the challenges facing employees - especially no-skill and low-skill workers - to stabilize their lives and the businesses for whom they work. With many struggling with affordable housing, health care, childcare, transportation, and other everyday challenges, Union Kitchen’s nonprofit aims to be a resource to connect employees and employers to resources to alleviate these challenges. Additionally, oftentimes the employees of small, local businesses are at the whim of a business owner who is struggling with his or her own everyday challenges. Union Kitchen Foundation hosts entrepreneurial workshops and seeks other resources to support business owners in order to make for a more stable work environment and, hopefully, a more stable livelihood for their employees. Union Kitchen has recognized where it has limitations as a for profit business, which is why the founders created Union Kitchen Foundation.

Internally, Union Kitchen has found ways to make larger markets work for itself and to the benefit of its business. Union Kitchen’s Development Department was created to help other incubators open in other local communities, domestic and abroad. So in this way, the organization is able to expand its model and make markets work elsewhere. Union Kitchen also sees opportunity as a thought leader in the space it exists in. Founder Singer has said before that

## UNION KITCHEN

he “hopes working for Union Kitchen can be a replacement to business school.” This is one of the reasons behind the creation of its Entrepreneur Leadership Academy, which will be launch for the first time this summer for high school students. Union Kitchen realizes it has more things it can offer the greater community overall, and this is one vehicle in which it will fulfill that.

### **Inspire Evangelists**

Inspiring evangelists starts the moment an organization decides to engage individuals from outside as volunteers, donors, advisers, supporters, and evangelists. The main purpose of doing this is to mobilize the public for greater social change. The rules for engaging evangelists, according to Crutchfield and Grant, are first to communicate one’s mission, vision, and values in a clear and compelling way. The second step is to create meaningful experiences through experiential and emotional events that allow them to take part in creating social change. Once the individual has experienced these two steps, the organization can cultivate the evangelist to act as an ambassador on behalf of the cause. At the last stage, the organization has to build a ‘beloved community’ formed by the evangelists around the community in order to have lasting evangelists (Crutchfield & Grant, 2012).

Oftentimes, employees or volunteers are motivated by the social mission of an organization to become a part of the movement. Having a team motivated by the mission will lead to more successful outcomes. “Motivated employees strive for more, take chances, and are a valuable asset to every company.” say Simplicant, a tool used for hiring (Simplicant, 2015). Rick Lynch discusses the importance of feeling connected to a group, and that, having a sense of identification in a work group can result in healthier, happier individuals, and in turn, longer lasting employees and volunteers. People who feel good about the work they do and the

## UNION KITCHEN

experience they have with an organization will want to continue to be a resource (Lynch, R., n.d.).

Union Kitchen inspires a few different types of evangelists. Its biggest bucket of evangelists comes from the unpaid interns who work for the company. Each and every one is enthusiastic about working for Union Kitchen despite the lack of pay. Motivated by Union Kitchen's social mission and overall concept, there are typically about four interns working at Union Kitchen at any given time, with almost weekly emails from others interested in becoming interns. Many interns are not even in an undergraduate program, rather attending graduate school, looking to change careers, or just looking to learn and try something new. Interning at Union Kitchen is a great opportunity, as the interns are truly able to drive value to the company and work on meaningful projects, as opposed to doing stereotypical "intern" work. Furthermore, Union Kitchen is incredibly loyal to its interns and more than half of the current company started out as unpaid interns before being hired.

Union Kitchen has inspired evangelists in many of its partners. The law firm Womble Carlyle took on Union Kitchen as a pro bono client early on in the organization's conception. "The Firm encourages its attorneys to fulfill their Pro Bono commitment by providing legal services to persons of limited means or to organizations whose purpose is to assist persons of limited means." (Womble Carlyle, 2016). Pam Rothenberg, Union Kitchen's main point of contact at Womble Carlyle, is always quick to speak about how much she believes in Union Kitchen's mission and what the organization is doing for the community as reasons why she is proud to work with them, any opportunity she is given. Rothenberg is a true champion for Union Kitchen, not only providing pro bono legal assistance, but speaking highly of the work it does on a regular basis.



## UNION KITCHEN

Union Kitchen recently developed an Entrepreneur Leadership Academy, to offer high school students a unique summer program highlighting the fundamentals of launching, operating, and scaling social enterprises. Because of Union Kitchen's reputation in the Ivy City neighborhood of Washington, D.C., The Hecht Warehouse, a luxury apartment complex, decided to offer Union Kitchen free space to run its Academy, as well as provide students with access to its resident shuttle service. The Hecht Warehouses' reasoning behind doing this was because it believes in what Union Kitchen is doing and wants to support an entrepreneurship program for young leaders in the neighborhood.

### **Nurture Networks**

*Forces for Good* emphasizes the importance of nurturing like-minded networks, including competition, recommending that it is in an organizations best interest to do so. The authors found that the most successful organizations share things like funding, expertise, leadership, power, and credit with organizations sharing a similar mission. Instead of hoarding resources, these organizations recognize that those sharing a similar mission have the same collective goal in mind, and in order to fulfill that greater mission and increase impact, knowledge and resources are best utilized when shared (Crutchfield & Grant, 2012).

Union Kitchen has not really done this with other B Corps or any sort of competition yet. As it stands, in terms of competition with other food incubators, Union Kitchen is not very willing to give away ideas freely. In fact, due to so many inquiries regarding its business model and success, Union Kitchen formed its Development Department. This department is focused on consulting and licensing out Union Kitchen's business model to others looking to open a food incubator in their local community. On the other hand, while the organization provides this

## UNION KITCHEN

information at a cost, Union Kitchen is extremely transparent with possible competitors as well as simply, inquiring minds. The company gives tours to anyone who asks, even folks who might one day become its competition. For prospective clients, the company is even willing to share P&L statements and numbers that are not normally shared with the public. The mentality behind this is, while people can see what the organization does and see what its numbers look like, it is a much harder business to actually execute on in reality. Union Kitchen does somewhat nurture networks though in this way, by devoting time and energy into advancing the field, forming joint venture partnerships and licensing out its model to others looking to open incubators. Spreading the concept of food incubators, and specifically our model to other places, is not only a win for the organization, but a win for the field.

As for nurturing other B Corp networks, Union Kitchen, thus far, has done this sparingly. The organization formed a small partnership with fellow B Corp New Belgium Beer to have Union Kitchen vendors sell products at some of the company's events. Union Kitchen was also interviewed by Max Kitslaar, a Dutch man who was profiling B Corps around the world, and through this process was able to network and connect with other local B Corps.

Union Kitchen does engage with other organizations though to form coalitions for continued social impact. Its biggest partner in working toward a greater good is probably DC Central Kitchen. In addition to providing 5,000 free meals every day to homeless shelters, transitional homes, and nonprofit organizations, DC Central Kitchen offers a rigorous Culinary Job Training program for unemployed men and women who “want to replace homelessness, addiction, and incarceration with new careers and changed lives.” (DC Central Kitchen, 2016). Union Kitchen has partnered with DC Central Kitchen on numerous occasions. Union Kitchen and its Members are a job pipeline for DC Central Kitchen's culinary graduates. The two

## UNION KITCHEN

organizations' biggest partnership is around the USDA's Local Foods Promotion Program, in which they each won a grant to administer in partnership with one another. Together, Union Kitchen and DC Central Kitchen are able to share knowledge and experiences with one another in order to set standards and approaches in the industry in which they are leaders in. Acting collectively, they can exercise greater influence among governments, businesses, and public policy. This partnership stands true with Crutchfield and Grant's idea that "Further, because they have more members in their networks and therefore a larger platform for distributing their ideas, programs or services, they have more opportunity to engage and influence individuals and the public at large." (Crutchfield & Grant, 2012).

Union Kitchen also works closely with the organization Think Local First, who envisions "an interconnected community of locally-owned businesses who drive sustainable economic development in Washington DC." The organization does this by working with independent businesses, consumers, and policymakers to grow a sustainable, local economy. The two organizations were both big representatives as well in the Made in DC movement, and worked together to help pass the Made in DC legislation in the District of Columbia. ([Think Local First, 2016](#)).

In terms of building a community, Union Kitchen does this best with its own internal community. What makes the organization truly thrive is the Membership model it landed on. The Membership structure that was created builds a sense of community and accountability, and in turn, helps to grow, scale, and get businesses to financial stability quicker and more efficiently than done on one's own. Unlike commercial kitchens that charge by the hour, Union Kitchen's Membership model provides immense value to Members while also creating a strong network of industry comrades. Furthermore, the Membership structure allows Members to become invested

## UNION KITCHEN

in the space they work in, while simultaneously creating a network of culinary industry leaders for them to interact with. This sense of community is what truly makes Union Kitchen, supports the strong belief that “culture overwhelms policy.”

### **Master the Art of Adaptation**

“Great nonprofits constantly adapt and modify their tactics.” Based on Crutchfield and Grant’s research, organizations that are receptive to change, willing to adapt to the current environment, and able to recognize when to eliminate programs, are masters at the art of adaptation. In order to be successful in doing this, the authors suggest following the “cycle of adaptation. The cycle includes four steps which are, listen to the environment, experiment and innovate, evaluate and learn what works, and then modify programs and plans (Crutchfield & Grant, 2012). Other research backs this sentiment up. When Darwin spoke about his theory of survival of the fittest, the ones who survived were the ones who readily adapted to change around them. Paycor, a human resources solutions business says, “Entrepreneurs need to be willing and able to adapt and fill their niche in the market or they won’t make it. Failing to do so is why more than half of startups fail in the first 18 months!” (Paycor, 2015). As markets and consumers are always changing, organizations need to prepare and change with their environment.

Union Kitchen is incredible at adaptation, almost to the point where it can be negative. Even how Union Kitchen was formed, was an act of adaptation. After finding a facility much too large for its one café, Gilchrist and Singer were able to create a business model based off of this situation. Almost every other decision, strategic or not, going forward came from adapting to the Members’ needs. All of Union Kitchen’s lines of businesses created after its core Membership model have happened organically, based on needs or situations that revealed these would be good ideas and services that proved highly needed. Union Kitchen’s Catering and Events

## UNION KITCHEN

business was formed accidentally, for example. After the organization received numerous requests to donate food, it one day replied back to a request saying it could not donate food, but could sell food. This resulted in a \$75,000 pay day, and thus, a Catering and Events department was born. Distribution and Co-packing formed out of the need to have a small-to-mid-scale version of these services. Union Kitchen Grocery was created to put Members' products to market.

Union Kitchen has adapted its core Membership business many times over in its four years in existence. In order to create culture, Union Kitchen started a mentor program for new Members, a mandatory, monthly Membership meeting, and a Member Council. Whenever a new Member joins the Kitchen now, the Member is assigned to a current Member who will act as both friend and mentor in helping to orient the new Member to the space, policies, and culture. Early on, the founders of Union Kitchen saw a need to conduct monthly Membership meetings in order to have all the Members in one place to announce news and updates as well as run station inspections. These mandatory Membership meetings now happen on the first Tuesday of every month. Member Council was created to act as another line of communication between the Members and Union Kitchen Staff. The Member Council is run democratically, in that, Members vote for the people they would like to represent them. The Council acts as a liaison to express the needs and concerns of the collective Membership. The Member Council meets monthly with a select group of people on Union Kitchen's staff. Furthermore, Union Kitchen recently introduced Office Hours as a way to provide better customer service to its Members. For two hours every week, each department in Union Kitchen sets up a table to hold open Office Hours for Members to meet about individual concerns, questions, and as another platform to find out how Union Kitchen can help Members scale and grow their businesses overall.

## UNION KITCHEN

One of the most catalytic decisions that Union Kitchen made in order to adapt to Members' needs was opening a second facility. At capacity, Union Kitchen's first 7,500 square foot facility held 55 Member businesses. At this point Union Kitchen had a waitlist. This drove the founders to search for property in order to build a second facility. So in September 2015, Union Kitchen unveiled a new 16,000 square foot production space. Further adapting to Members' needs, Union Kitchen formed a new tier of Membership unique to this facility. Now, in addition to Nights and Weekends and Full Time Membership, the Ivy City facility offers Pod Memberships. Pod Memberships were created for businesses that are quickly growing and scaling or already established businesses. The Pods give Members their own dedicated area of space as opposed to shared production space. Part of the thinking behind this was Union Kitchen moving away from saying it is a business for startups, and instead, positioning itself as a business for any food manufacturer that sees the value in its services. Early on, Union Kitchen created another additional form of Membership, Associate Membership or the Research and Development Membership. The owners of Union Kitchen found that, oftentimes, people were curious about starting a food business or joining Union Kitchen, but were not ready to take the full leap into committing to a Nights and Weekends or Full Time Membership. So, for a nominal fee, it created the Associate level of Membership which provides people with access to all of Union Kitchen's ancillary services, minus access to production space.

Union Kitchen has also been highly adaptive in the way it conducts staffing roles and responsibilities, namely with its Kitchen Stewards. Union Kitchen's Kitchen Stewards are responsible for janitorial work, regulatory health and food safe precautions, equipment maintenance, and many other day-to-day tasks that need to happen around the facilities. While the roles and responsibilities in this position were working out fine, the owners of Union Kitchen

## UNION KITCHEN

wanted to create a higher level of autonomy and responsibility within the role of a Kitchen Steward in order to provide a growth path for individuals taking on this job. So after reevaluating the work Kitchen Stewards do, new tasks lists were created that offered higher levels of specialty for Kitchen Stewards. Any new Kitchen Steward onboarded to Union Kitchen is now given a title based on what specialty they fall in with the chance to move up the longer they are with the Kitchen.

Union Kitchen's most recent act of adaptation, was the unfortunate closing of The Blind Dog Café. Despite the Café being Gilchrist and Singer's original business and inspiration behind Union Kitchen, the business was no longer sustainable or profitable. After closing the Café though, Gilchrist and Singer turned the space into what they are calling Union Kitchen Presents! The space now acts as a pop-up retail storefront for Members, acting almost like a brick-and-mortar incubator. Ultimately, the founders of Union Kitchen have become experts at adapting their services or tactics whenever change occurs.

Looking forward, Union Kitchen is already thinking about future ways to adapt its business model. There are thoughts around moving Membership solely to the Ivy City location. In place of having Members in the NoMa facility, the organization may entirely move its Co-packing arm to this facility once it grows out of its current space in Ivy City. Another option that has been tossed around for the NoMa facility, is letting just three or four Members use the space as dedicated production space solely for those businesses only, taking out the shared kitchen element.

Union Kitchen just signed the lease for a second retail storefront in the Convention Center in Washington, D.C. While this space will not be open until early September 2017, the founders of Union Kitchen are already thinking of ways to improve this space from its current

## UNION KITCHEN

Grocery. The major innovation is creating a “fast casual grocery,” which is a concept that has not been done before. It would look something like a combination of a fast casual food chain such as Chipotle combined with grocery items and café seating.

### **Share Leadership**

In *Forces for Good*, Crutchfield and Grant discuss the benefits of organizations’ ability to share power and broadly distribute leadership. They speak of the concept of giving away power, instead of hoarding it, despite that “The social entrepreneurship movement is fascinated with the role of the lone entrepreneur; less attention is paid to collective leadership and entrepreneurship as a collaborative act.” In the authors’ research, they find that collaborative leadership brings out complementary assets among employees, especially in complex environments, leading to greater impact overall (Crutchfield & Grant, 2012).

Union Kitchen is not the most exemplary organization of shared leadership, and often, this idea ranges from department to department inside the organization. Gilchrist and Singer, as the cofounders of Union Kitchen, very clearly sit at the top of the company hierarchy. Underneath them are nine Directors who sit on the executive team. While they would probably argue that they empower their employees and the Directors of their company, it is apparent the two have some difficulty in sharing leadership, despite acting or vocalizing that they want to. They encourage each Director to run their departments like their own small businesses acting as the CEO for that individual department. While they do do this with some Directors, it is still clear they have the final decision no matter what, which limits the possibility of true shared leadership. Further, during monthly executive meetings with the Directors, Union Kitchen’s founders tend to talk at the meeting participants as opposed to with them. Gilchrist and Singer inform the team of decisions that were made and the happenings that went on that month, as



## UNION KITCHEN

opposed to tapping into their talented team for suggestions, advice, and opinions, leaving little room for collaboration and idea generation between the executive team and the founders.

Crutchfield and Grant call this phenomenon “founder’s syndrome,” where many organizations are led by charismatic, but egocentric individuals who are unable to let go and truly share leadership (Crutchfield & Grant, 2012). This concept holds true for Union Kitchen’s situation.

Individual Directors are better at distributing shared leadership efforts. Either because they care, or it is honestly a lack of time to care otherwise, that the rest of their team take on greater responsibility because they are so busy with other things. Most Directors give their team, including interns, huge autonomy over projects for them to run with their ideas. In some ways, by allowing employees to make decisions on their own without a huge level of micromanagement is sharing the leadership. My team, for example, is encouraged to make their own decisions. Oftentimes, even when they ask what I think, I tell them I trust them and that they should do what they think is best. Not only is this empowering to them as employees, but allows them to build greater confidence for making decisions in the future.

### **Union Kitchen’s Future**

Union Kitchen is just shy of three years in business. With its start-up days in the past, it is now heavily focused on the growth and scalability of the business as a whole. Union Kitchen continues to expand its production space and capabilities with the investment of a second retail-operation in the Washington, D.C. Convention Center and its co-packing program, launched this past January. Union Kitchen seeks to expand distribution services outside of the Washington, D.C., Metropolitan area to a regional scale and set up an e-commerce platform. Along with rolling out more retail platforms, Union Kitchen is working to create more branded, prepared food products for its stores and is in talks with DC Central Kitchen to create co-branded items.

## UNION KITCHEN

Additionally, Union Kitchen has dedicated substantial resources to building out more licensing opportunities and monetizing its tangible intellectual property in a comprehensive *how-to* knowledge management website. Further enhancing its know-how of the overall food system, Union Kitchen recently purchased a young tea business called Baku. In this way, Union Kitchen will really be able to see how all sides of its business works through the way it is all interconnected. In 2016, Union Kitchen is heavily invested in really getting its 501(c)3 Union Kitchen Foundation up to scale, offering more programs and resources. Lastly, Union Kitchen will launch its precollege program, the Entrepreneur Leadership Academy, this summer.

### **Major Risks**

As with all early-stage and growing businesses, scaling too quickly is a risk. New investments, particularly those that are capital-intensive, limit a company's financial and organizational flexibility. Many new businesses fail by overextending prior to fully securing a market fit or actualizing their core product. In an article Nathan Furr wrote in Forbes, he cited premature scaling as the number one reason startups fail. Scaling too quickly uses up cash, which leaves organizations less room to correct mistakes and readjust, and leaves less room to be agile, meaning organizations often become organizationally and mentally committed to an approach after hiring staff and investing in a product, making it harder to change (Furr, 2011).

Nevertheless, Union Kitchen has successfully scaled over the past three years, opening a second commercial space, several retail-operations, and in-house distribution, catering, and co-packing services. Before committing to any new project, Union Kitchen evaluates its financial and long-term feasibility, along with, if and how it meets the needs and demands of Members. The phased process allows Union Kitchen to better manage the additional risks of scaling, while remaining open to new opportunities for revenue.

## UNION KITCHEN

Union Kitchen grapples with product cannibalization. Union Kitchen is only profitable when Members are successful, creating strong incentives to invest in value-added services that accelerate and bolster Member growth capacity. Yet, as Members scale, they risk outgrowing the space.

In response, Union Kitchen is focused on extending the lifespan of current Members through Pod Memberships. The Pod program caters to more-established businesses, seeking non-shared, stand-alone production spaces. A number of former Members, who previously left Union Kitchen to start brick and mortar stores, like Rare Sweets and Ice Cream Jubilee, returned as Pod Members. They continue to run outside shops, while benefiting from the larger footprint of space without the hassles of facility administrative work and maintenance.

Recent investments in Co-packing present a threat of product cannibalization. Members have less need for kitchen space as Union Kitchen takes over more of Members' production. Strong Membership sales, however, diminish the impact of product cannibalization by filling vacancies and maintaining a consistent revenue stream. Moreover, turnover is not necessarily a negative for Union Kitchen. New Membership brings in the same fees, while a growing network of successful Alumni helps build out an impressive proof of concept and deeper connections to the food universe.

Union Kitchen emphasizes its value beyond a shared-use space for businesses at all stages. A variety of Membership packages, from Research and Development Membership to Distribution-Only and Pod spaces, address the needs across the development spectrum. Union Kitchen alleviates the organizational burden for all Members, explaining why even businesses with their own brick and mortar stores can continue to produce out of Union Kitchen.

## **Recommendations**

### **Tap Into B Corp Network**

Based on the organizational analysis conducted and the time I've spent with Union Kitchen, I see many areas the organization can improve upon. Union Kitchen does not use its B Corp status to its full extent. For one, it barely ever mentions the fact that it is a B Corp, sans for a tiny symbol at the bottom of its website. Other B Corps for example, like Ben & Jerry's and Warby Parker, have whole pages of their website dedicated to the fact that they are proud to be B Corps. Additionally, the organization does not tap into the wide B Corp and Benefit Corporation that is available to them. Historically, many B Corporations have collaborated on projects together and/or used each other to champion what the other is doing. On the benefits of the B Corp community, Corey Kohn says, "Becoming a B Corp lets you join the ranks for other companies doing great things. This isn't just good marketing—B Corps also respect and share with each other, which is good for business and good for the ecology of a socially responsible economy." (Kohn, 2015). There are a variety of ways in which Union Kitchen could be more proactive, but has yet to tap into this network. One major partnership that seems extremely viable would be partnering with fellow B Corp King Arthur's Flour to be a preferred flour vendor. Oftentimes many B Corps offer their services at a discounted rate to fellow B Corps. Overall, there is a wealth of opportunity waiting to be tapped into in the B Corp community.

### **Food Systems Advocacy**

In terms of advocacy, Union Kitchen could take greater strides in actually changing legislation and advancing the food system in D.C. in more direct ways. The only downside to taking steps politically would be that it usually jeopardizes an organization's ability to apply for certain grants. There are lots of areas of concern in the food industry though such as food waste,

## UNION KITCHEN

food deserts, GMO products, urban farming, and the overall inaccessibility to healthy food.

While there are a lot of employees that care about these issues who work for Union Kitchen, it is not a priority in terms of what the company is doing as a whole. Many of Union Kitchen's partners though, including Community Foodworks and DC Central Kitchen are exemplary examples of organizations that do programming while also advocating. Community Foodworks, for example, works on food access while also running local farmer's markets and CSA programs (Community Foodworks, 2016).

### **Plan More, Scale Slower, & Share Leadership**

Another part of the company that is worrisome is the amount of risk Union Kitchen takes and the risk it takes on without enough planning. While this method seems to have turned out to be fruitful in the beginning, the organization is at a point where it is becoming much too high of a risk especially as these decisions affect employees and the Members inside Union Kitchen.

When I first started working at Union Kitchen, I was impressed by the organization's transparency, but now, I feel like it's at a point where the founders are taking on so much, so many unsettling unplanned ideas, that they are becoming more secretive with their ventures to not take on the criticism that would come with it. Union Kitchen's co-packing business is an example where it initially seemed like a good idea, but it is coming to light that the business was not thoroughly fleshed out before making it a reality. Dr. Fairholm, in his piece Leadership and Organizational Strategy, talks about the differences between strategic planning and strategic thinking, and how despite there being varying definitions, both are useful and necessary to be successful.

“Strategic planning relies heavily on concepts such as mission, objectives, key result areas, long and short-term goals, metrics, performance measurements,

action plans, and tactics. These are terms essential to good management of the organization, but they are also concepts that reflect many of the false assumptions found in the fallacies listed above, such as the ability to control and predict and the flawlessness of analysis and procedure. But management as an organizational technology demands such assumptions because it does demand control and predictability.” (Fairholm, 2009).

Union Kitchen does neither strategic planning or thinking. While there is often strategy behind decisions that are made, decisions and actions happen so fast that there is not enough time allotted to think before decisions are acted on, and definitely no time to plan accordingly. Further, due to lack of planning, there are oftentimes no clear performance metrics, leading to confusion around what signifies success. In order for Union Kitchen to continue to be successful, at this juncture in the life of the organization, it would prove useful to take a step back, and put more consideration into thinking and planning processes, and overall, be more thoughtful when making decisions.

To continue on the idea of taking on too much risk is the concept of scaling without getting crushed by the weight of it. It sometimes seems as if the organization is on a treadmill it can never get off of. The company just keeps expanding flat instead of up. As an employee who would like to get paid more, it seems far and away as new lines of businesses keep cropping up every day that require the company to put money into and pay for more employees. In addition to that, many of the staff already wear so many hats. Most people are doing the job of two or three people and instead of investing in the current operations, the current employees continue to be overworked and underappreciated. At the very least, there needs to be more training and professional development, especially since most of Union Kitchen’s staff are so young, either in

## UNION KITCHEN

their first job out of college or first-time managers that could use more training and support.

Union Kitchen could benefit from slowing its growth. Andrew Miller discusses in Entrepreneur the benefits of slowing down and “optimal enterprise velocity.” “Optimal enterprise velocity is the rate at which an organization does business without sacrificing the quality of their offerings. Essentially, how fast an organization can move and still be effective. Knowing when to slow down and when to speed up, and having the ability to accelerate and brake accordingly, can change the position of a company overnight.” (Miller, 2014).

A solution to some of the above concerns could be better dispersing shared leadership and decision making power amongst the team, and in turn, limit the amount of micromanagement from the founders. While the founders of Union Kitchen have taken the company this far, it is at a point where they could benefit from the views, ideas, and opinions of others who are equally invested in the well-being of the company. Additionally, shared leadership would be beneficial to employee retention and overall company morale.

### **Internal Communications**

Two huge pieces Union Kitchen needs to work on is forming clear priorities and formulating a plan for better internal communications. Throughout my time at Union Kitchen, departments have been given priority lists that have been used and edited, over and over again. But for some departments, the priorities change way too often for there to be any sort of consistency or enough consistency to actually see what is working and what is not working. The other reason priority lists were formed was for employees to be empowered to say no when a task was not on an employees’ priority list, but now, it feels as if the priority lists are ignored and employees are not empowered to express the fact that a given task does not fall on or on the top of their priority list.

## UNION KITCHEN

Lack of communication is another piece of the puzzle that seems to have been failing lately at Union Kitchen. Union Kitchen grew from a company of four to about twenty people working on the corporate side of the business in under a year. In quickly scaling up, systems were not put properly codified, one being internal communications, and thus, the internal communicative practices at Union Kitchen have not been set up for success. Departments do not communicate with one another very well, which lead to frustration and resentment, and in turn, oftentimes slows down pieces of the business or leave more room for mistakes to form. Some hiccups in internal communications have possibly been too many modes of communication. Employees use email, as well as the task management system Asana, plus text and discuss items in person. Due to so many modes of communication, often messages get lost or there are miscommunications in who is doing what between all the different ways messages are communicated. The organization has been trying to strictly use Asana internally, but in order for it to be a successfully platform for productive communication, all of Union Kitchen's staff needs to buy in and use it. In fact, the founders of Asana agree with this sentiment saying "As our company grows, it's not realistic, valuable, or enjoyable to be looped in on every tangentially related project." (Moskovitz & Rosenstein, 2015).

### **Conclusion**

Union Kitchen has a lot of opportunity which is both comforting and challenging. The organization is a thought leader, community builder, economic developer, and in a word, powerful. But this great power at such an early stage can lead to detrimental mistakes early on. Union Kitchen has managed to keep its head above water this long, but it does so by adding businesses, growing its staff, and taking risks much too casually. The founders of Union Kitchen would benefit from taking a step back, and evaluating the direction in which their company is



## UNION KITCHEN

headed. While it is clear the founders have laid the foundation for a successful, impactful company, it remains to be seen whether the foundation is strong enough to withstand such quick growth and scale.

In my ten months with Union Kitchen, my education and learnings in organizational development, entrepreneurship, and management, have been continuously ongoing. I oftentimes find myself both in awe of what the organization has accomplished, while at the same time, disappointed in the lack of direction and attention paid to proper planning and execution. Based on my observations and research for this Capstone, I see much room for improvement, especially in the area of human resources and management. In order for Union Kitchen to truly soar, the founders will need to let go, share leadership, and trust their team to make big decisions on their own. And while Union Kitchen does do many parts of the six practices discussed in *Forces for Good*, it could be doing so more effectively and directly. Advocacy work poses a big opportunity, although I fear the organization does not have the manpower or mental bandwidth to take on advocacy and policy work at this time. Largely, I have witnessed an organization that is working through the challenges of going from a small scale startup, to a full fledged business. My biggest take away from these particular observations is the need for planning, and planning for things that may not seem immediate right now, but will come to light in the future. As the organization continues to scale and expand, I also wonder if it can sustain its current mission. In a way, the for profit model with a social mission poses some conflicting maxims, and it will be interesting to see how the organization can continue creating economic impact while having growth and increased profits. It is my hope that, during this period of great transition and scale, Union Kitchen will be considerate in its decision making, recognizing that the decisions it makes

## UNION KITCHEN

now affects almost fifty employees along with over 75 Member businesses and their growing number of employees.

## References

- B Lab. (2016). Our Origin Story. Retrieved from <https://www.bcorporation.net/what-are-b-corps/about-b-lab>
- Clean Decisions. (2016) About Us. Retrieved from <http://cleandecisions.com/about-us/>
- Coleman, A. (2015). The Scale Up Challenge Every Audacious Startup Must Face. Retrieved from <http://www.forbes.com/sites/alisoncoleman/2015/09/13/the-scale-up-challenges-every-audacious-startup-must-face/#3d90b6cc3c9>
- Community Foodworks. (2016). Programs. Retrieved from <http://www.community-foodworks.org/programs>
- Crutchfield, L., & Grant, H. (2008). *Forces for good: The six practices of high-impact nonprofits*. San Francisco: Jossey-Bass.
- DC Central Kitchen. (2016). Culinary Job Training Program Information. Retrieved from <http://dccentralkitchen.org/cjtinfor/>
- DC.gov. (2016). Project Empowerment Program. Retrieved from <http://does.dc.gov/service/project-empowerment-program>
- Fairholm, M. R. (2009). Leadership and Organizational Strategy. In *The Innovation Journal: The Public Sector Innovation Journal*. (Volume 14).
- Ferguson, R. (2016). DC Council Considers Bills to Boost Local Innovators. Retrieved from <http://dcinno.streetwise.co/2016/01/28/dc-council-considers-bills-to-boost-local-innovators/>
- Furr, N. (2011). #1 Cause of Startup Death? Premature Scaling. Retrieved from <http://www.forbes.com/sites/nathanfurr/2011/09/02/1-cause-of-startup-death-premature-scaling/#59d4752815aa>

## UNION KITCHEN

Jubilee Jobs. (2016). About Jubilee Jobs. Retrieved from <http://jubileejobs.org/about-us/>

Kohn, C. (2015). 5 Benefits to Becoming a Certified B Corp. Retrieved from

<http://unreasonable.is/5-benefits-to-becoming-a-b-corp/>

Lynch, R. (n.d.) Volunteer Retention and Feelings of Connection. Retrieved from

[http://nc.casaforchildren.org/FILES/PUBLIC/COMMUNITY/PROGRAMS/PROGRAM\\_RESOURCES/VOLUNTEER\\_RETENTION\\_LYNCH.PDF](http://nc.casaforchildren.org/FILES/PUBLIC/COMMUNITY/PROGRAMS/PROGRAM_RESOURCES/VOLUNTEER_RETENTION_LYNCH.PDF)

Miller, A. (2014). Slow Down! It Just May Help Your Company Grow. Retrieved from

<https://www.entrepreneur.com/article/232023>

Mohammed, A. J., (2015). Deepening Income Inequality. Retrieved from

<http://widgets.weforum.org/outlook15/01.html>

Moskovitz, D. & Rosenstein, J. (2015). Killing Over-Communication. Retrieved from

<https://blog.asana.com/2015/07/workstyle-communication-internal-memo-from-our-founders/>

Paycor. (2015). What Can We Learn From Startup Culture. Retrieved from

<https://www.paycor.com/resource-center/what-we-can-learn-from-startup-culture>

Simplicant. (2015). Employee Motivation Begins With The Hiring Process.

<http://www.simplicant.com/blog/employee-motivation-and-hiring-process/>

Think Local First. (2016). About Us. Retrieved from <http://thinklocalfirstdc.com/about-us>

Union Kitchen. (2016) Our Origin Story Retrieved from

<https://www.dropbox.com/sh/jfifphhh7ki8253/AAAKW0u6SI43eRwdSMzPBPGUa/Union%20Kitchen%20Origin%20Story.pdf?dl=0>

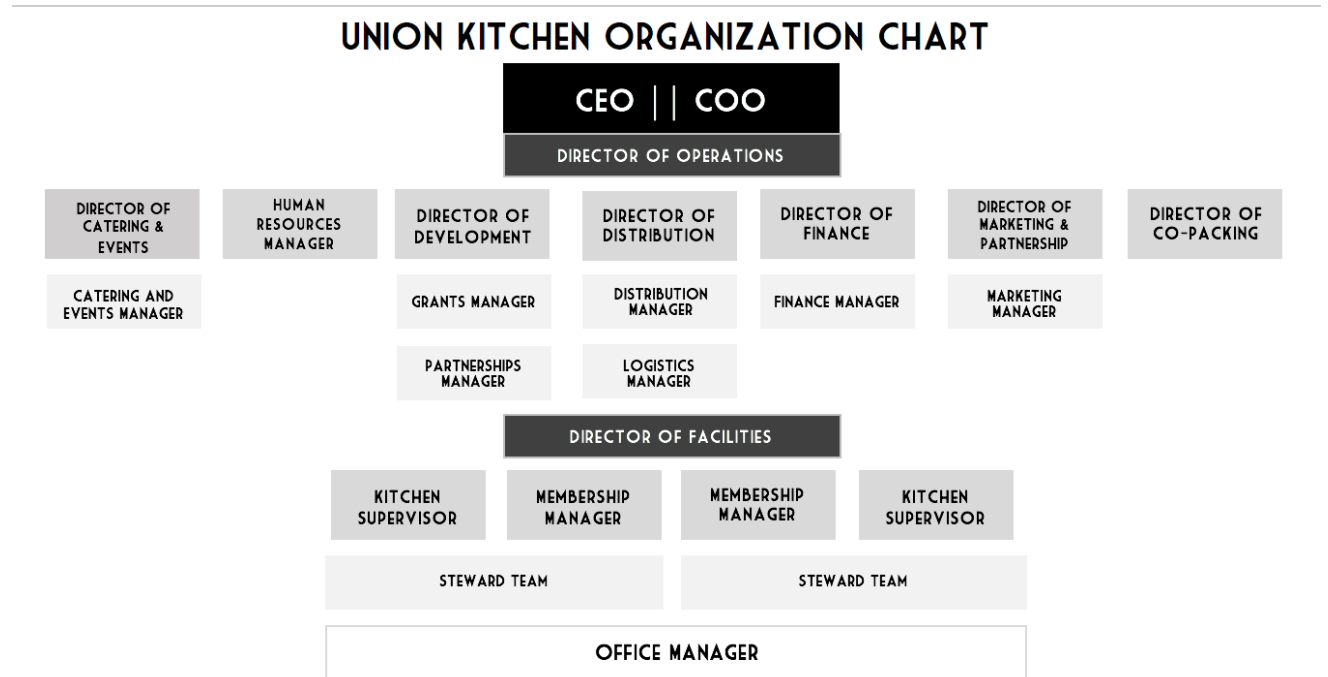
## UNION KITCHEN

Union Kitchen. (2016). Mission Statement and Guiding Principles Retrieved from

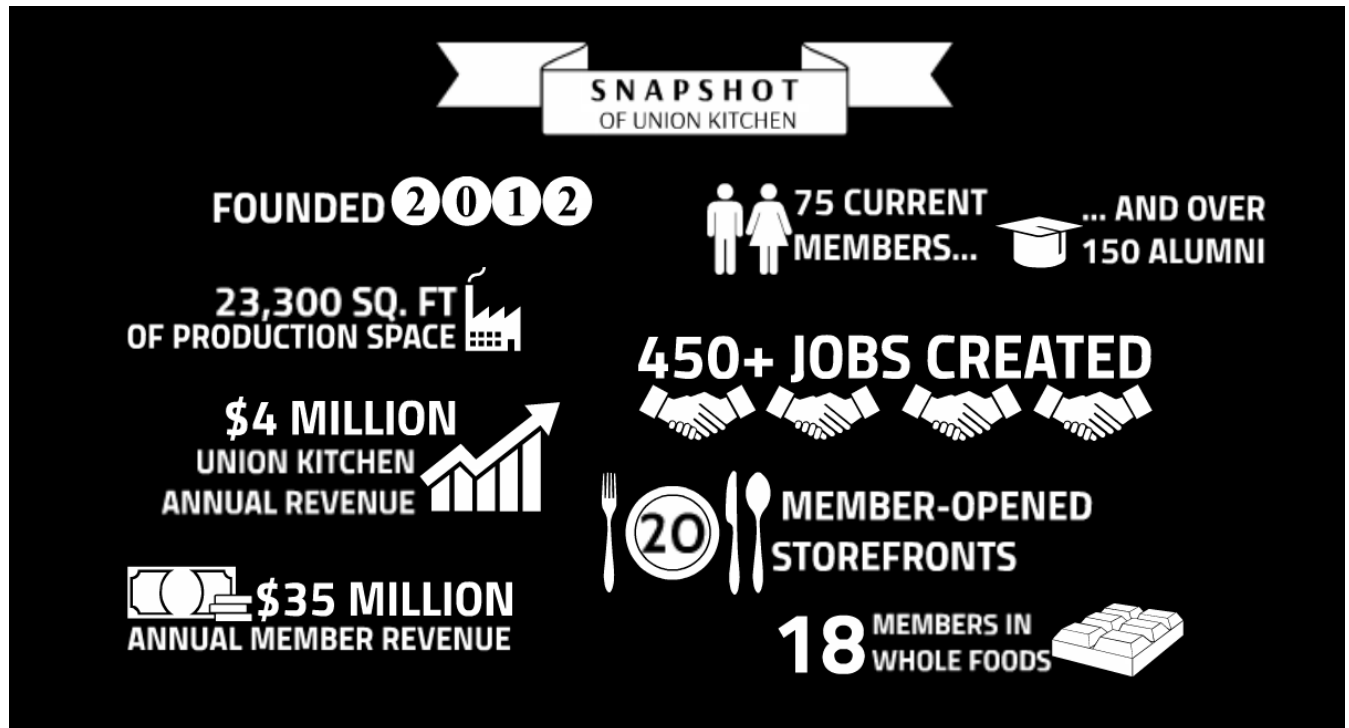
<https://www.dropbox.com/sh/jfifphhh7ki8253/AABbD0YhssgbyrSXGgmHDzBia/Union%20Kitchen%20Mission%20Principles.pdf?dl=0>

Womble Carlyle. (2016). Pro Bono. Retrieved from <http://www.wcsr.com/Firm-and-Clients/Pro-Bono>

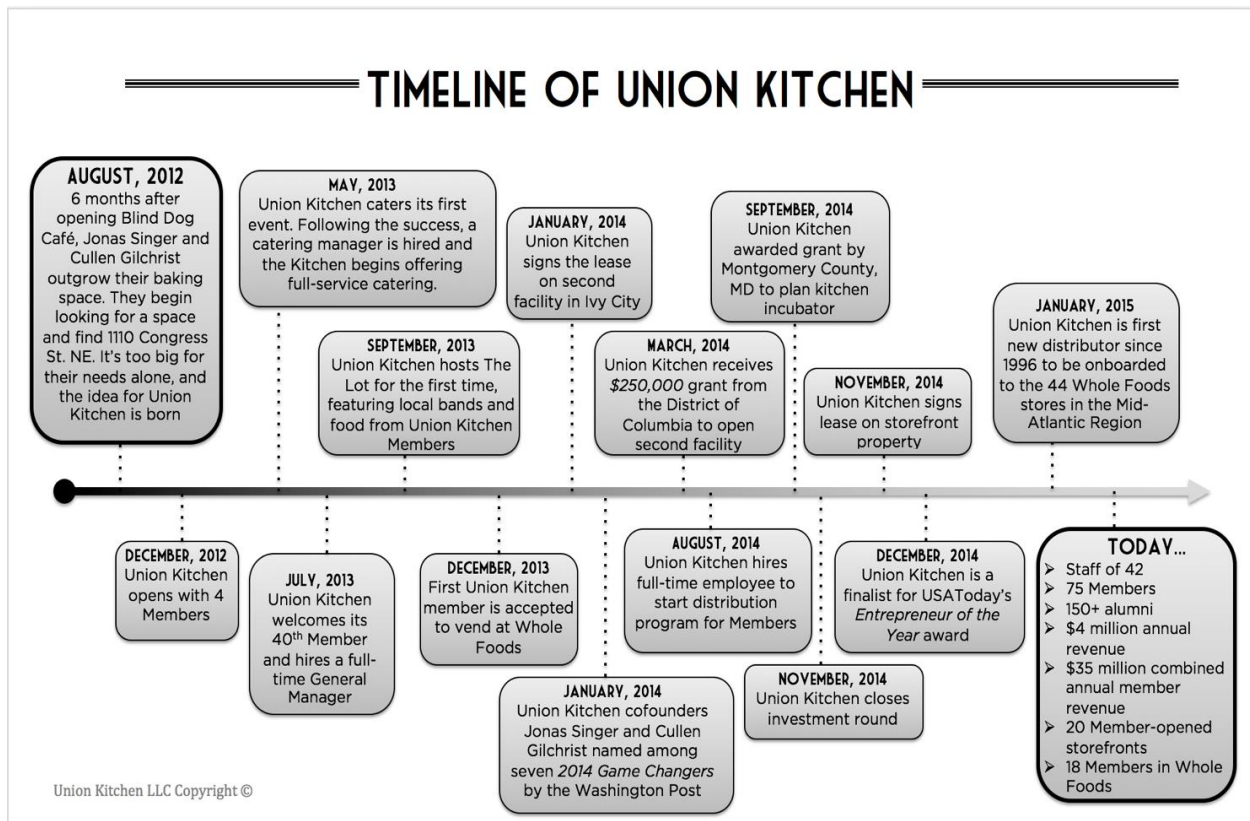
Appendix A



Appendix B



## Appendix C






Appendix D

---

UNION KITCHEN FINANCIAL SUCCESS

---

\$4.4 MILLION  
\$  
  
3 YEAR REVENUE

\$1.1 MILLION  
  
AVERAGE REVENUE  
P E R Y E A R  


\$436,916  
  
ANNUAL MEMBERSHIP  
REVENUE PER YEAR

\$613.56  
  
AVERAGE REVENUE  
PER SQUARE FOOT

\$16,800  
  
AVERAGE MEMBER  
REVENUE PER YEAR

## Appendix E

---

**Union Kitchen 2015 B Impact Report**


---



	Company Score	Median Score*
<b><i>Overall B Score</i></b>	<b>101</b>	<b>55</b>
<b><i>Environment</i></b>	<b>12</b>	<b>7</b>
Environmental Products & Services (e.g. Renewable energy, recycling)	0	N/A
Environmental Practices	11	6
Land, Office, Plant	8	3
Energy, Water, Materials	3	1
Emissions, Water, Waste	1	1
Suppliers & Transportation	0	N/A

## UNION KITCHEN

<b>Workers</b>	<b>16</b>	<b>18</b>
Compensation, Benefits & Training	10	12
Worker Ownership	3	1
Work Environment	3	3
<b>Customers</b>	<b>9</b>	<b>N/A</b>
Customer Products & Services	9	N/A
Products & Services	9	N/A
Serving Those in Need	0	N/A
<b>Community</b>	<b>52</b>	<b>17</b>
Community Practices	52	15
Suppliers & Distributors	0	2
Local	11	5
Diversity	4	2
Job Creation	7	2
Civic Engagement & Giving	6	3
<b>Governance</b>	<b>11</b>	<b>6</b>
Accountability	8	3
Transparency	3	3
<b>Overall</b>	<b>101</b>	<b>55</b>

80 out of 200 is eligible for certification

\*Of all businesses that have completed the **B Impact Assessment**

\*Median scores will not add up to overall

Powered by

